

REQUEST FOR COUNCIL ACTION

MEETING

DATE:

11
12/22/03**AGENDA SECTION:**

CONSENT AGENDA

ORIGINATING DEPT:

Public Works

ITEM NO.

0-4

ITEM DESCRIPTION: Municipal State-Aid Advance Encumbrances**PREPARED BY:**

D. Nelson

The City, Olmsted County, and MnDOT have previously entered into a Joint Powers Agreement for Project Design and Right-of-Way acquisition for the TH63 South interchange projects. Subsequently the City entered into a cost share Agreement with MnDOT for construction of Stage 1 of the TH63 / 48th Street Interchange Project. That project has been bid, a contract awarded, and work is underway. The City share of the Stage 1 construction costs is estimated at \$3,930,000. The City is required to pay this amount by January 15, 2004.

MnDOT has a procedure in place allowing City's to advance from future State-Aid Construction Fund allowances (up to \$4 million) with the approval of the Commissioner of Transportation and reimburse these funds over a five-year time period from the City's annual State-Aid Construction Fund allowance. We typically receive approximately \$2.5 million annually in MSAS Construction funds.

Public Works staff recommends that the City Council authorize payment of the City's share for construction of the TH 63 So. / 48th Street Interchange Project, Stage 1, using the City's future State-Aid Construction Funds reimbursed from the Municipal State Aid Construction Account over the next five years.

We are proposing to borrow these State Aid funds for the following projects (which are a part of the TH 63 So. / 48th Street Interchange Project, Stage 1):

S.A.P. 159-157-01 St. Bridget Road SE

S.A.P. 159-155-02 48th Street SE / SWS.A.P. 159-140-01 40th Street SE**COUNCIL ACTION REQUESTED:**

Adopt a resolution requesting the Commissioner of Transportation approval on borrowing up to \$4 million from the City's future State-Aid Construction Fund account and reimbursed over a five-year period.

Recommend approval as proposed.
DSK 12/18/03

COUNCIL ACTION: Motion by: _____ Second by: _____ to: _____

12

Resolution

WHEREAS, the City of Rochester is planning on implementing Municipal State Aid Street Projects in 2004 which will require State Aid funds in excess of those available in its State Aid Construction Account, and

WHEREAS, the City of Rochester is prepared to proceed with the construction of said projects through the use of advance encumbrances from the general State Aid Construction Account to supplement the available funds in their State Aid Construction Account, and

WHEREAS, repayment of the funds so advanced will be made in accordance with the provisions of Minnesota Statutes 162.14, Subdivision 6 and Minnesota Rules, Chapter 8820.

NOW, THEREFORE, Be it Resolved: That the Commissioner of Transportation be and is hereby requested to approve this advance for financing approved Municipal State Aid Street Projects for the City of Rochester in an amount up to \$4,000,000 in accordance with Minnesota Rules 8820.1500, Subparagraph 10b. I hereby authorize repayments from subsequent accruals to the Municipal State Aid Street Construction Account of said City in accordance with the schedule herein indicated:

Repayment from future year allocations in amounts listed below until fully repaid (maximum of 5 year repayment).

\$0	CY 2004
\$0	CY 2005
\$0	CY 2006
\$1,500,000	CY 2007
\$2,500,000	CY 2008

I HEREBY CERTIFY that the above is true and correct copy of resolution presented to and adopted by the City of Rochester, County of Olmsted, State of Minnesota, at a duly authorized City Council Meeting held in the City of Rochester, Minnesota on the 22nd day of December, 2003, as disclosed by the records of said City on file and of record in the office.

City Clerk

City of Rochester